



A manufacturer's journey to supply chain resilience

The challenge

A consumer products company with global manufacturing operations sought to better understand a variety of business continuity risks that could disrupt its operations and prepare for their potential impacts. The company also needed immediate assistance in responding to the COVID-19 pandemic, including addressing disruptions to its workforce.

Marsh was engaged to develop an overarching approach to supply chain resilience, with accompanying business continuity plans and a response and recovery management structure.

Understanding the threats

Marsh colleagues met with senior leaders and department heads to catalog the company's most vital operations — those that could result in significant impacts if disrupted — and other continuity concerns. Marsh specialists also reviewed

the company's existing mitigation and recovery strategies for critical resources, including people, technology, physical assets, and relationships.

These conversations helped Marsh and the manufacturer model both critical supplier site risks and natural catastrophe exposures to identify key threats. These included a reliance on single-source suppliers, geographic concentration of suppliers in Asia, a number of potential cyber exposures, and unique manufacturing equipment and tooling with long replacement times.

Measuring the risk

With this initial assessment in hand, Marsh then conducted financial stress test modeling around several key risk focus areas. This exercise included:

- Scenario-based quantification of risks for specific geographies and business lines.
- Analysis of insurance program limits, retentions, and potential exhaustion.
- Measurement of the company's return on investment of existing risk transfer methods.

These efforts yielded an implementation roadmap, with recommendations for how the company could monitor and manage its risks.

The solution: Taking action

Marsh worked with the manufacturer to develop a business continuity plan for critical operations, including a way to address people-related pandemic risk issues and facilitate return to work. A strategic team was created to provide a

cross-organization resource management and decision-making structure during and after an incident.

Visualization tools — including dashboards — enabled management to more easily identify supply chain bottlenecks and other risks, prioritize information and resources, and more effectively make decisions to support recovery.

THE RESULTS: A MORE PROACTIVE RISK MANAGEMENT FRAMEWORK

A deeper understanding of various risks and their costs — and a greater appreciation of the value of risk management — helped to facilitate the manufacturer’s recovery from COVID-19 and execution of its return to work plan. Marsh’s work also positioned the organization to better prepare for and respond to unexpected events, from disruptions affecting single-source suppliers to cyberattack and more.

For more on how you can implement your own business resilience plan, contact your Marsh representative or [visit our manufacturing & automotive industry business resilience page](#).

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